



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

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April 13, 2012

Redevelopment Dissolution Successor Agencies in the County of Los Angeles

### PREPARATION FOR OVERSIGHT BOARDS REVIEW AND APPROVAL OF SECOND RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE

#### Submission of Second ROPS

Some of your Oversight Boards are beginning to meet and several will be meeting soon. In order to provide them as much time as possible to adequately review and approve the Recognized Obligations Payment Schedule (ROPS) covering the period from July 1, 2012 through December 31, 2012 (Second ROPS), it is critical that your agency **submit the Second ROPS as soon as possible to your Oversight Board, with a copy to the County Auditor-Controller.**

At the Town Hall meetings held on March 19 and 21, 2012, the Auditor-Controller's Office requested that Successor Agencies submit their Second ROPS for review by April 15, 2012. As of today, the overwhelming majority have not been submitted.

The timing of the California Supreme Court's decision in the *CRA v. Matosantos* case has resulted in Successor Agencies, Oversight Boards, the State Department of Finance and the Auditor-Controller's Office having to meet extremely tight deadlines in carrying out their responsibilities under AB1x 26. The Auditor-Controller is making every possible effort to meet its statutory deadlines, particularly the June 1, 2012 deadline to disburse funds for the Second ROPS period. However, without timely submission of the Second ROPS by the Successor Agencies to their Oversight Boards, the Auditor-Controller cannot assure that the disbursement deadline can be met.

Therefore, it is imperative that the Second ROPS be submitted **no later than Wednesday, April 18, 2012** to your Oversight Board (with a copy to the Auditor-Controller) so that Oversight Board members have adequate time to review the Second ROPS, request any further back-up documentation needed to determine whether a line item is an enforceable obligation, and act on the Second ROPS with sufficient time for

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the State Department of Finance to review the Oversight Board's action in accordance with AB1x 26.

**Information Needed for Oversight Board Members**

Further, in order to avoid further delay and continuances at Oversight Board meetings, we strongly urge you to provide a report for your first Oversight Board meeting **detailing your agency's cash flow** for the six-month period covered by the Second ROPS, including unencumbered cash balance on hand from all revenue sources. We also ask that you provide **complete supporting documentation** for any payment that has to be made during the May and June 2012 time period of the First ROPS and for the entire July to December 2012 time period of the Second ROPS.

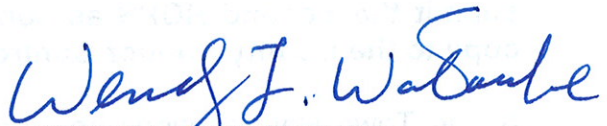
**In order to assure that the Auditor-Controller can meet the June 1, 2012 disbursement deadline, Oversight Boards should take action on the Second ROPS ideally by April 27, 2012 as has been previously requested, but no later than May 4, 2012 in order for the June 1, 2012 disbursement deadline to be met.**

Thank you for your assistance.

Sincerely,



WILLIAM T FUJIOKA  
Chief Executive Officer



WENDY L. WATANABE  
Auditor-Controller

WTF:WLW  
EFS:MZ:ef

c: Each Supervisor